

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 31-February 1, 2007

Reference No.: 2.5b.(5)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

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Budgets

Subject: **FINANCIAL DE-ALLOCATION OF SHOPP PROJECTS**  
**RESOLUTION FP-06-59, AMENDING RESOLUTION FP-06-15**

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) de-allocate of \$44,300,000 from one State Highway Operation and Protection Program (SHOPP) project (Project #5 - District 4 office building seismic retrofit) originally approved on September 7, 2006 under Resolution FP-06-15, as described in the attached vote box.

## **ISSUE:**

On September 7, 2006, the Commission adopted Resolution FP-06-15, allocating \$231,075,000 for 18 SHOPP projects, including \$44,300,000 for the Department's District 4 Office Building Seismic Retrofit project (Project #5). Once contract bids were opened for Project #5, it was discovered that the allocated funds were not sufficient to fund the required work. Bids received were more than 20 percent over the budgeted amount. Moreover, the Department of Finance (DOF)-who authorizes work on State facilities-could not authorize the expenditure of additional funds to complete the project this fiscal year. Although the Department attempted to mitigate the cost increase through various activities, the increase was still significant.

The Department of General Services has prepared a new project estimate, dated December 11, 2006, based on the bids received, and the DOF has included \$62,337,000 in the Governor's Proposed FY 2007-08 Budget to fund the Department's District 4 Structural Retrofit project. As a result, high priority SHOPP projects programmed in FY 2007-08 can be allocated earlier using the capacity made available from the de-allocation of the \$44,300,000. As such, a concurrent request to allocate three FY 2007-08 SHOPP projects is under Reference Number 2.5b.(4).

## **FINANCIAL RESOLUTION:**

Resolved, that \$44,300,000 be de-allocated from Budget Act Item 2660-311-0042, for one SHOPP project, as described in the attached vote box.

Attachment

**2.5 Highway Financial Matters**

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	EA PPNO Program/Year Prog Amount	Budget Year Item # Program Code	State Federal Total Amount
<b>2.5b.(5) SHOPP Project De-Allocation</b>		<b>Resolution FP-06-59, Amending Resolution FP-06-15</b>		
5 (\$44,300,000)	In Oakland, District 4 Office Building Seismic Retrofit. Working drawings and construction.	1A5301 04-0093B SHOPP/06-07	2006-07 311-0042 20.20.201.353	(\$44,300,000)
Alameda 04U-Ala-L5933	(Related item under Reference No. 2.5b.(4).)	\$45,629,000		(\$44,300,000)